Alberta Consumer and Corporate Affairs

Annual Report

for the year ended March 31, 1991

Alberta

CONSUMER AND
CORPORATE AFFAIRS

Office of the Minister

229 Legislature Building, Edmonton, Alberta, Canada T5K 2B6 403/427-2305 Fax 403/422-6997

The Honourable Dr. David J. Carter
Office of the Speaker
Legislative Assembly of Alberta

Sir:

I have the honour to submit this annual report of the Department of Consumer and Corporate Affairs for the fiscal year ended March 31, 1991.

Respectfully submitted,

Dennis L. Anderson
Minister

Alberta
CONSUMER AND CORPORATE AFFAIRS

Office of the Deputy Minister

22nd Floor, 10025 Jasper Avenue, Edmonton, Alberta, Canada T5J 3Z5 403/427-4095

The Honourable Dennis Anderson
Minister of Consumer and Corporate Affairs

Sir:

I take pleasure in submitting the department's annual report for the fiscal year ended March 31, 1991.

Respectfully submitted,

Dave Hudson
Deputy Minister

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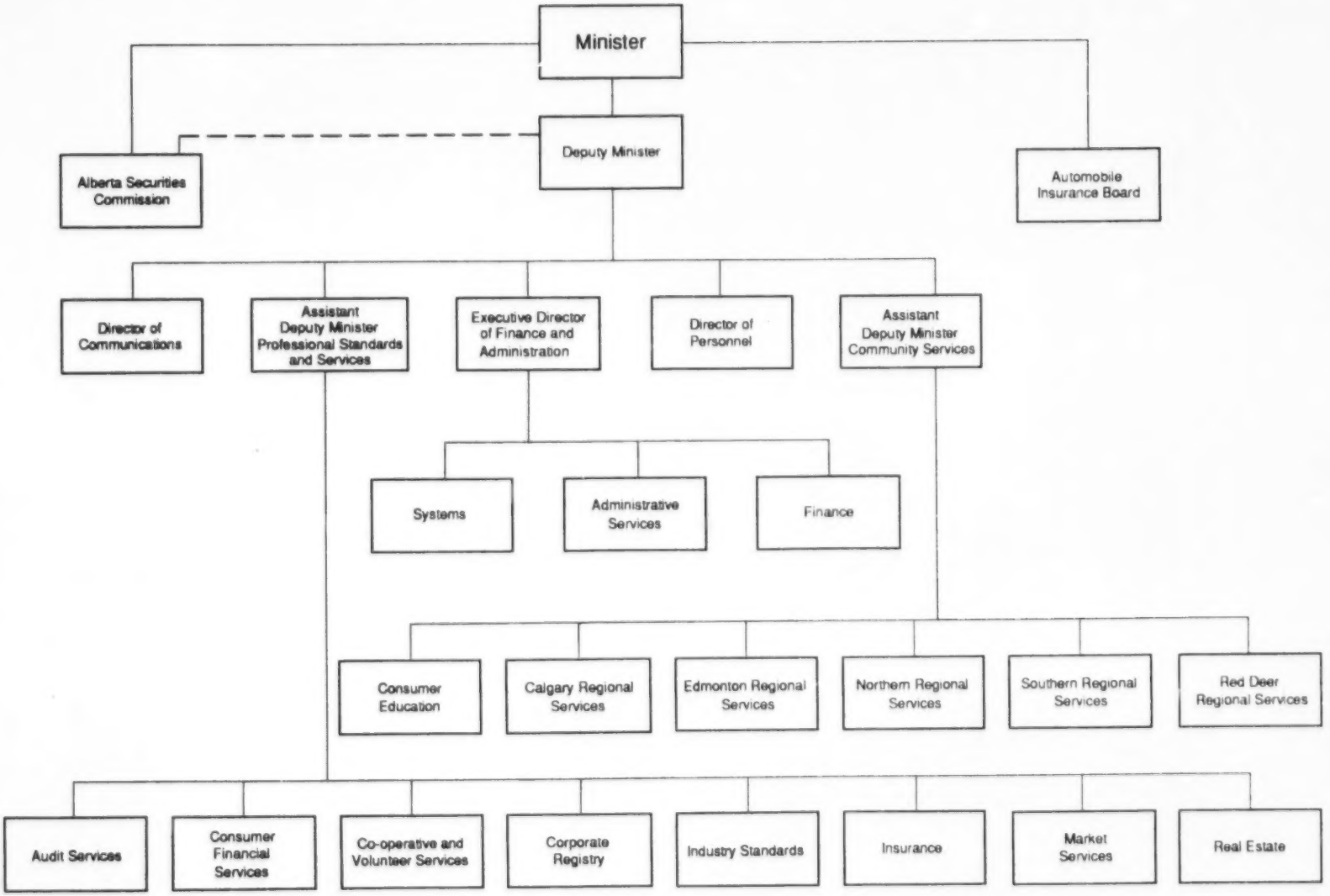

Alberta

CONSUMER AND CORPORATE AFFAIRS

MARCH 1991

Deputy Minister's Report

During the year, we at Alberta Consumer and Corporate Affairs continued to witness tremendous changes in the marketplace: technological advances, environmental issues and changes in marketing practices. In addition, we were faced with expanding demands on our services, on the one hand, and declining resources on the other. However, by being open to change and new ideas within our department, we were able to work with consumers and businesses to meet the challenges inherent in a dynamic marketplace.

One thing that remained constant within Alberta Consumer and Corporate Affairs is our mission for fairness in the marketplace. That mission drives every program and service we provide.

Partnership

In our work for a fair marketplace, Alberta Consumer and Corporate Affairs focused on a concept of partnership. The concept was introduced by Minister Dennis Anderson during the first National Consumer Week, April 23 - 29, 1991. Partnership reflects the fact that responsibility for a fair and honest marketplace is not government's alone, but is shared among businesses, consumers and government. Under our partnership plan, we encourage businesses to take a more active role in consumer education, dispute resolution and maintenance of standards. The concept gained momentum during the 1990/91 period and will continue to be an important theme in the coming years.

One important partnership program involves establishment of delegated regulatory organizations in which industry and consumers are represented. One such partnership was proposed for the automotive marketplace by a committee appointed by the Minister. The committee's recommendations included the most comprehensive automotive-related consumer protection program in Canada. The committee will gather industry and consumer reaction to its proposals, and will submit its final report to the Minister soon.

The funeral services industry was another area examined by a committee of industry and consumer representatives. The committee prepared a discussion paper outlining recommendations for licensing, standards of business conduct and other issues of concern to consumers and the industry. The paper was dicussed with licensed funeral services businesses, funeral directors and interested consumer groups in public meetings throughout the province. The committee is expected to submit its final report early in the next fiscal year.

Plain Language

In a fair marketplace, consumers must be able to understand the contracts and documents they are asked to sign. However, the complex language and form often used in contracts make them difficult to understand. Under the Minister's leadership, the department launched a plain language initiative in January 1991 to prompt business and government to make their contracts clear and understandable. Some of the first steps we took in this long-range program included helping the Alberta chapter of the Consumers' Association of Canada develop a home renovation contract, and working with industry to revise real estate listing and purchase agreements, and tenant lease contracts. Our department revised the schedule that appears on every direct sales contract used in Alberta, to give consumers a clear description of their rights to cancel certain contracts signed in their homes. Internally, the depart-

ment began a process of reviewing its forms used by the public to ensure they are clearly written and presented.

Legislation

For fairness in the financial marketplace, the department introduced legislation that relates to transactions between buyers and sellers of financial goods and services. The Financial Consumers Act, the first of its kind in the British Commonwealth, sets out guidelines to help ensure that buyers and sellers deal fairly with each other. The new act received royal assent July 5, 1990. It reflects a great deal of consultation between department staff and the many stakeholders in the industry. The first stage of the act was proclaimed in 1991. It states that financial institutions and similar businesses must provide consumers with important information related to the sale of certain financial products. The products include term deposits, some kinds of life insurance, interest-bearing accounts at financial institutions, mutual funds, investment certificates, and guaranteed investment certificates. The remaining stages of the Financial Consumers Act are planned to go into effect before the end of 1992.

Other legislation that was passed during the year included an amendment to the department act and a major amendment to the Licensing of Trades and Businesses Act to allow for the delegation of regulation to industry sectors. Significant changes passed for the Insurance Act to make it easier to change the amounts, terms and conditions of accident insurance benefits paid under automobile insurance policies. Another provision of the act added more authority to regulators to take financial disciplinary action against insurance agents and adjusters. Amendments passed for the Real Estate Agents' Licensing Act provided for the creation of a foundation funded by interest earned on pooled trust accounts. The foundation will fund real estate education and research, both for industry and consumers.

Consumer assistance and marketplace enforcement

In order to respond to an increasing number of consumer calls, the department tested a new interactive telephone system in Edmonton. By using the numbers on their phones, consumers could choose to listen to recorded information, order publications, register for seminars, and speak directly to a consumer relations officer. The system improved our service by providing a quicker response to calls, reducing the time that callers had to wait on "hold", and expanded hours in which to provide information. Plans were put in place to expand the services provided by the system during the next fiscal year.

To reach consumers, staff in regional offices used television more than ever before. Programs were developed to help consumers plan their financial future and make informed buying decisions.

Enforcement activities continued throughout the marketplace, with investigations carried out in the areas of real estate, prepaid contractors, landlord and tenant matters, mobile home dealers, and the Direct Sales Cancellation Act.

Internal

Many changes occurred within the department during this period.

On October 9, 1990, Deputy Minister Robin Ford moved to become Deputy Minister of Alberta Labour. The deputy's position was filled for the rest of the year in an acting capacity by myself.

The responsibility for maintaining registrations for business partnerships, limited partnerships and tradenames passed to our department from the department of the Alberta Attorney General. Corporate Registry and Systems staff worked together to set up an efficient computerized system to handle the new responsibility.

General administration functions for central office and the Alberta Securities Commission merged for economy and greater efficiency. As a result, staff had the opportunity to broaden their scope and skill levels.

Recognizing that staff are the department's most valuable resource, the department developed several programs in this area. A program was established to recognize employees' service and special achievements; more than 200 employees were honoured at the first awards ceremonies held in October. A human resource management plan was developed to set priorities and initiatives during the next three years. An employee orientation kit was prepared to help new staff learn about the department and their roles within it. Competency profiles for consumer relations officers were also developed. The profiles help clarify the main aspects of the job and are useful for recruiting, orienting and developing staff. An excellent staff training video on investigations was written and produced by our employees. As well, a management performance planning system was developed to assist managers in their career development.

Alberta Consumer and Corporate Affairs provides administrative, communications and educational support to the Alberta Securities Commission. In addition, I liaise with the chairman of the securities commission board and the chief of securities administration on policy matters. Specific details of the commission's activities are published in a separate annual report.

Throughout this reporting period, staff of Alberta Consumer and Corporate Affairs demonstrated their commitment to the department's mission for fairness in the marketplace. The following pages outline some of the activities undertaken.

Dave Hudson
Deputy Minister

Deputy Minister's Office

The deputy minister is the chief executive officer responsible for the administration and coordination of all line and staff functions. A Communications unit and a special assistant report directly to the deputy.

Communications

Communications staff work to inform department employees and the Alberta public about the activities, programs and services of Alberta Consumer and Corporate Affairs. This function includes consulting with and advising the Minister and department staff on effective media and public relations, preparing communication plans, writing news releases, managing advertising, preparing promotional material, and producing the monthly staff newsletter.

Staff also coordinated the production of all graphic design, print and display material; a total of 223 projects were handled during the 1990/91 fiscal year. With the introduction of a department-wide employee recognition program, Communications staff assisted in promoting, planning and implementing the awards ceremonies. They also coordinated the production of employee pins, certificates and special awards.

Communications staff also served on various department committees including senior management and corporate planning.

Community Services

Community Services operates 10 offices throughout the province and a central Consumer Education and Information unit.

Regional office staff deliver the department's core services of consumer education, enforcement, mediation and business licensing. While focusing on the department's mission for a fair marketplace, each office sets its own program objectives based on the needs of local consumers and businesses.

During the 1990/91 period, delivery of the department's core services was maintained in all regions.

Regional staff responded to the challenge of two new pieces of legislation. They learned about the Financial Consumers Act, answered questions from consumers and businesses, and held public information seminars. With the transfer of the Partnership Act to our department, staff in most regional offices became responsible for registering partnerships and tradenames. They also responded to public requests for information on specific partnerships and tradenames.

During this reporting period, our regulatory function was exercised extensively. Several major investigations concerning real estate property management were completed.

We piloted innovative systems to deal with consumers' concerns and assimilated them into our program delivery structure. One example is the interactive telephone system installed in the Edmonton regional office. Callers were able to choose to speak with a telephone operator or to listen to pre-recorded information by using the numbers on their telephones. Callers could also register themselves for courses and order publications. During 1990/91, the system handled about 25% of all the enquiry calls and handled 65 to 90 requests per week for publications.

The following provides some highlights of the 1990/91 year in the Community Services division.

Partnership

Developing partnerships with businesses, industry associations, consumer groups and community agencies became a mainline department program. An inter-divisional committee, chaired by the director of Consumer Education and Information, was formed to coordinate the department's partnership efforts.

The concept of partnership was officially launched by the Minister during National Consumer Week, April 23 - 29, 1991. Special events and activities highlighted partnership projects between government and businesses. For example, consumer displays and fairs were held in many shopping malls, public libraries and community agencies. Retailers and shopping malls distributed department publications and radio and television stations broadcasted consumer information.

Other partnership activities included:

- The Consumer Education and Information unit worked in partnership with Alberta Social Services to develop and print a new issue of "Consumer Talk", a resource written in basic language for people with minimal reading skills. The issue covered the topic of banking.

- 226 Consumer Corners operated in public libraries, community agencies and post-secondary educational institutions across the province.

- Private industry contributed to the development of new consumer resources and to the purchase of materials for Consumer Corners.

Enforcement and Mediation

- A major investigation into a property management company was launched, uncovering the fact that over $600,000 was missing from the company's trust accounts. Charges were laid against the principal.

- A seminar for 175 property managers was held in one region to increase property managers' awareness of their rights and responsibilities under real estate and landlord and tenant legislation.

- Open house sessions for the credit industry were conducted in one region to provide information about the financial counselling services of Consumer and Corporate Affairs.

Education

Staff of the central consumer education unit develop consumer resources, while regional staff deliver information programs. Consultation with department staff, other government departments and the private sector plays an important role in the development and delivery of material.

The central unit includes a resource centre, which provides staff with access to a collection of print and audio/visual resource material. The resource centre also administers the Consumer Corner program which makes consumer material available to the public through public libraries and community agencies.

Resource material developed by the Consumer Education and Information unit included:

- newspaper articles and radio scripts about the new Financial Consumers Act

- 52 newspaper articles on general consumer topics

- of the total 215 radio scripts written, 48 were translated into Polish, Spanish and Cantonese and supplied to CKER radio for use in ethnic programming

- two "Consumer Talk" issues, covering the topics of banking and credit. This brings the total number of issues to 12.

Regional offices continued to emphasize indirect delivery of services. Staff trained professionals and volunteers at community agencies to develop the consumer skills of their clients. Staff also took advantage of broadcast media to increase their effectiveness.

- It is estimated that nearly 6,000 people will be informed about money management by the professionals, para-professionals and volunteers who attended sessions provided by one region's staff.

- A six-part television series, which covered a variety of consumer topics, was produced in partnership with the Red Deer Chamber of Commerce.

- A four-part television series was produced in partnership with the local investment and banking industries, and broadcast on cable TV channels across the province.

Education Activities: 1990/91	
Displays	127
Direct Delivery Courses	286
Indirect Delivery Courses*	193
Radio Scripts Recorded or Supplied+	2411
Newspaper Articles Supplied+	1774
Media Interviews	366
Publications Issued	967,753

* These courses were given to other agency employees who then assisted their clients with consumer information.

\+ Developed by central education and recorded or distributed by regional staff.

National Committees

Consumer Education and Information staff continued their involvement in national committees such as the Federal-Provincial Task Force on Consumer Education and Plain Language, the Consumer Education Task Force on the Financial Marketplace, and the National Consumer Week federal-provincial task force.

Human Resource Development

Community Services continued to place high priority on staff development. During the year, opportunities for staff promotion or reassignment occurred, resulting in a number of staff moves.

- A division-wide workshop was held for 24 administrative support staff. The workshop focused on increasing participants' skills and career planning.
- Competency profiles for consumer relations officers were developed to be used as a basis for recruitment, performance appraisal and staff development.
- The implementation of a staffing plan met the challenge of reductions in available positions.

Statistical Overview of Workload in All Regions

	1990/91	1989/90	1988/89	1987/88	1986/87
Investigations	3, 840	4,620	4,837	5,243	2,375
Enquiries for assistance/information	151,255	137,724	n/a	n/a	n/a
Calls handled by interactive telephone system (Edmonton only)	8,885				
Family Financial Counselling contacts	31,918	19,020*	30,754*	28,132	27,728
Licenses on file	10,613**	19,652	25,314	27,557	27,560
Prosecutions					
Licensing	49	18			
Landlord/Tenant	38	7			
Credit Legislation	0	4			

* Source - Consumer and Corporate Affairs Canada

** Number of licenses on file has decreased because the licensing of insurance agents, employees and adjusters, and real estate agents has been passed to delegated regulatory organizations.

Professional Standards and Services

The central Professional Standards and Services division develops department policies, in which consumer and business goals are balanced for a strong and fair marketplace. Division staff work closely with industry groups that have a significant impact on consumers, such as real estate, insurance and financial services.

During the 1990/91 fiscal period, partnership was a consistent theme in division activities. Major projects included advancing plain language in consumer contracts, and working with the automotive and funeral services industries to develop delegated regulatory organizations.

Reports from individual units follow.

Audit Services

Audit Services provides financial analysis, accounting and audit expertise to unit directors in Professional Standards and Services. Staff review and analyze financial information from current and prospective licensees and registrants and, based on the findings, make recommendations regarding the issuing and continuance of licenses and registrations.

Most of the unit's activities relate to the insurance program. Audits are undertaken for the Superintendent of Insurance regarding insurers' compliance with legislation and the meeting of capital requirements.

During this reporting period, field examinations were completed on the quarterly results and annual statements of six active Alberta insurers. The annual statements of extra-provincial insurers were also reviewed. As well, numerous examinations, reviews and analyses were made on all types of insurers for licensing, compliance, legislative, comparative and statistical purposes. Reviews were completed and approvals issued for information folders, which contain financial and other information for consumers, covering the segregated funds of 20 life insurers.

The real estate program is the second highest user of Audit Services. Throughout the year, staff tabulated and reviewed approximately 1,000 accountant reports filed under the Real Estate Agents' Licensing Act, which covered about $75,000,000 in trust obligations. All discrepancies on the reports were identified and followed up. Where a review of the reports raised a possibility of trust shortages, regional office staff were asked to perform trust account examinations.

Six prospectuses for selling out-of-province real estate were reviewed. The review included advising developers on providing adequate disclosure to consumers so that they could make informed decisions about purchases. Recommendations were made to the Superintendent of Real Estate, which resulted in two prospectuses being approved; one prospectus withdrawn and, to date, three approvals pending.

Consumer Financial Services

The unit works with regional and district office staff to develop a marketplace of informed borrowers and lenders in Alberta; to foster orderly collection of accounts; assist Albertans to develop money management skills and to offer specific assistance to overcommitted debtors.

The unit administers the Consumer Credit Transactions Act, Collection Practices Act, Wage Assignments Act, Tax Rebate Discounting Act (federal), Debtors' Assistance Act, and

Part X, Bankruptcy Act - Orderly Payment of Debts Provisions (federal).

During the year, preparatory work was completed on the Financial Consumers Act. The new legislation relates to transactions between the buyers and sellers of financial goods and services. The act received royal assent, and the first stage was proclaimed during the 1991 spring sitting.
A number of initiatives were undertaken to assist businesses and consumers to prepare for the new legislation, such as workshops and the development of written materials.

In the 1990/91 fiscal year, credit-related consumer complaints and department concerns, which were formally investigated, resulted in refunds to consumers of more than $113,000.

Tax Discounting

The unit administers the Tax Rebate Discounting Act within Alberta on behalf of the federal government and requires registration of those discounters under the Consumer Credit Transactions Act.

During this reporting period, the volume of activity increased by 8% over the previous period, as shown in the table. The value of refunds acquired grew by almost 10%. The complexity for consumers of preparing tax returns and the use of the tax system for social programs, such as child tax credit, keep increasing. Therefore, tax discounting will likely continue to flourish, particularly if the fees to prepare tax returns increase while tax discount fees remain capped.

Activity of Alberta Tax Discounters *

	1990/91	1989/90
Number of Returns	113,275	104,829
Amount of Refunds	$105,398,352.00	$95,911,607.00
Average Refund	$930.46	$914.93
Discount Retained	$8,667,803.00	$7,940,450.35
Average Discount Per Return	$76.52	$75.75
Percentage of Refund Retained	8.22%	8.28%

* Source - Consumer and Corporate Affairs Canada

Family Financial Counselling

The family financial counselling program is delivered by counsellors in the regional and district offices, under the authority of the Debtors' Assistance Act. The program aims to help consumers improve their skills in money management. Where necessary, repayment programs are drafted for over-committed debtors to allow them to repay their obligations in an orderly fashion.

Debt-repayment programs are offered under both the Debtors' Assistance Act and the Orderly Payment of Debts Provisions of the federal Bankruptcy Act. The former is a voluntary program; the latter court-ordered. Emphasis has been placed on voluntary arrangements, to allow more flexibility in dealing with the needs of clients and creditors.

A total of 31,918 requests for financial information or counselling were made during the fiscal year. Of these, 8,369 were new clients who required credit counselling. There were a total of 243 new repayment programs initiated during 1990/91 under the Orderly Payment of Debts Provisions and 57 under the Debtors' Assistance Board. In addition, 184 mediation files were opened. These figures reflect our continuing emphasis on finding methods of resolving debtor/creditor situations other than court-ordered programs or long-term repayment proposals. Repayment programs arranged through the department resulted in $1,375,821 being repaid by debtors to their creditors. Under the orderly payment of debts program a 10% fee is levied costs of the department's services.

Co-operatives and Volunteer Services

This unit has dual responsibility for Co-operatives and Volunteer Services. Through administration of the Co-operative Associations Act, the unit works in partnership with the co-op sector to assist groups interested in forming co-operatives and to encourage and support adherence to co-operative principles, legislation, and by existing co-operatives. Documents providing for the incorporation of co-operatives and subsequent amendments are approved by the unit. Responsibility for rural utility co-operative associations lies with Alberta Transportation and Utilities.

The year was financially successful for most Alberta co-operatives, with total sales and equity of co-ops again increasing for the year, along with total assets, savings and memberships. A highlight of co-operative activities was the formation of three entrepreneurial co-operatives established to provide employment opportunities for the members. At the end of the fiscal year, there were 1,014 co-operatives registered in Alberta. There were 26 new incorporations and 15 dissolutions of co-operatives during this period. In addition, there were 37 approvals for amendment to the memorandum of association or supplemental by-laws of co-operatives.

The Volunteer Services aspect of the unit relates to the Public Contributions Act. Under this legislation, it is necessary for those planning charitable fund-raising campaigns to obtain prior approval, and to submit a financial report on the completion of the campaign.

A total of 1,695 campaign permits for charitable solicitations in Alberta were approved by the department and the six cities with local approving authorities. These cities are Edmonton, Calgary, Medicine Hat, Red Deer, Drumheller, and Grande Prairie.

Corporate Registry

Corporate Registry is responsible for registration functions outlined in:

- the Business Corporations Act,
- Companies Act,
- Societies Act,
- Religious Societies' Lands Act,
- Co-operative Associations Act,
- Cemetery Companies Act,
- Partnership Act, and
- the Regional Airports Authorities Act.

The registry issues certificates to create or change the structure of limited liability corporations and societies, and certificates of registration to permit corporations formed in any other jurisdiction to carry on business in Alberta. It also maintains a public depository of documents required to be filed under the various provisions of these acts.

On September 1, 1990, Corporate Registry assumed responsiblity from the department of Alberta Attorney General for the registration of trade names, partnerships and limited partnerships under the Partnership Act. In addition to assuming these new responsibilities, 230,000 existing registrations under the act were transferred to Corporate Registry. With the addition of the Partnership Act, Corporate Registry now maintains 415,000 active files in a computerized and microfilm form. Additional statistics on registration activities during the reporting period are shown in the following tables.

Information Provided to the Public by Corporate Registry

	1990/91	1989/90
Telephone Searches	94,175	88,323
Certified Document Requests	3,724	4,284
Written, FAX, Search Reports	35,444	26,019

Documents Issued by Corporate Registry

Business Corporation Act	**1990/91**	**1989/90**
Certificates of Incorporation	14,242	16,126
Certificates of Registration	1,592	1,544
Certificates of Continuance	630	633
Certificates of Amalgamation	7,320	7,986
Certificates of Dissolution	11,344	12,794
Certificates of Import Continuance	121	124
Certificates of Discontinuance (Export)	334	358
Companies Act - Part IX		
Certificates of Incorporation	54	49
Societies Act		
Certificates of Incorporation	993	1,136
Certificates of Article/By-law Changes	723	720
Religious Societies' Lands Act		
Certificates of Incorporation	31	45
Co-operative Associations Act		
Certificates of Incorporation	28	23
Cemetery Companies Act		
Certificates of Incorporation	1	0

Documents Processed by Corporate Registry

	1990/91	1989/90
Annual Returns	146,570	149,577
Notice of Address	30,218	31,408
Notice of Directors	23,025	22,479
Debt Obligations (to September 30/91)	3,239	7,037
Discharge of Obligations	2,891	3,351
Receivers/Liquidators	285	284
Corporate Revivals	1,307	1,366

Partnership Act	Since September 1, 1990
Tradenames	4,631
Partnerships	964
Limited Partnerships	50

Industry Standards

The Industry Standards unit administers the following legislation:

- Licensing of Trades and Businesses Act,
- Public Auctions Act,
- Fuel Oil Licensing Act,
- Direct Sales Cancellation Act,
- Cemeteries Act, and
- Prearranged Funeral Services Act.

The unit also licenses mortgage brokers under the Mortgage Brokers Regulation Act, and issues permits under the Public Contributions Act.

Licensing is handled by regional office staff who accept applications and supporting documents, conduct investigations and refer recommendations for prosecution or bond claims to the Director. The Industry Standards unit provides regional staff with information through an on-line computer system for licensing, training and consulting services, bond administration and bond claim processing and prosecution approvals.

During the fiscal year, 3,464 licenses were issued or renewed on an annual or five-year basis with another 7,149 already active on a two, three or four year basis and not yet due for renewal.

There were 15 applications received for the use of land as a cemetery with 12 final certificates of approval being issued.

Surety bonds posted by 19 licensees were forfeited to compensate 26 consumers where the licensees failed to provide goods or services. Claims totalled $81,369.

Insurance

Insurance business in Alberta is regulated under the Insurance Act. The Superintendent of Insurance is responsible for the general supervision of insurance business within Alberta and for ensuring compliance with insurance laws. The Superintendent acts under the instructions of the Minister and reports on the affairs of the industry. He also works in co-operation with the federal and other provincial and territorial superintendents to maintain consistency in insurance legislation and to deal with insurance issues.

Insurance companies, agents, brokers and adjusters doing business in Alberta are required to be licensed under the Insurance Act. Companies must satisfy certain financial standards, while agents, brokers and adjusters must pass examinations and meet other requirements in order to be licensed. The Superintendent examines the financial condition of provincially-incorporated insurance companies. The insurance councils, which are comprised of industry and public members, have been delegated the responsibility for the regulation of insurance agents, brokers and adjusters.

In November 1990, third-party automobile warranties became regulated under the Insurance Act and must be issued by a licensed insurer.

Insurance Companies Licensed

	1990	1989
Provincial Companies (including Reciprocal Exchanges)	10	9
Extra-Provincial Companies	17	15
Canadian Registered Companies	293	296
Fraternal Associations	20	20
Total	340	340
New Companies Admitted	8	3
Companies Withdrawn	5	6
Companies Merged into Existing Companies	3	7

Insurance Complaints Resolved

Class of Complaints	1990/91	1989/90
Automobile	154	164
Property	63	81
Life	41	76
Accident and Sickness	60	70
Travel	18	14
General (other classes)	60	91
Adjusters	1	4
Total	397*	500*

* Complaints against insurance agents and adjusters are investigated by the Alberta Insurance Council, and are not included in this total.

Market Services

The objective of Market Services is to maintain a fair marketplace by developing and enforcing standards of acceptable conduct. These standards are intended to balance the rights and responsibilities of buyers and sellers.

The Market Services unit administers the Unfair Trade Practices Act. The act establishes minimum standards of fair conduct, truth in selling and full disclosure of information. The act also provides consumers with a quick and inexpensive means of obtaining a remedy in the event they are victims of unfair acts or practices. Alleged transgressions of the act are reviewed by regional staff and discussed with the businesses concerned. In most cases, agreement is reached without having to resort to legal action. However, if a supplier persists in operating outside the requirements of the act, legal action may be initiated by the Director of Trade Practices.

The Market Services unit also promotes the concept of plain language for consumer contracts. The unit drafted a discussion paper on plain language and solicited comments from interested parties. In addition, the unit worked closely with selected industry associations such as the Alberta Real Estate Association and the Association of Members and Staff of Alberta Landlord and Tenant Advisory Boards (AMSALTAB) to create plain language consumer contracts and leases. The unit began designing a plain language program for the provincial government to improve our own forms, letters, reports and legislation.

The unit's continued efforts with the Alberta chapter of the Alliance of Canadian Travel Associations (ACTA) resulted in increased consumer protection for Alberta travellers. ACTA passed a resolution that obligates their tour operators to offer default protection to Albertans who buy directly from them. Consumers now have the opportunity of purchasing default insurance or relying on the protection of a bond or letter of credit that has been posted by the tour operator.

Professional and Occupational Associations Registration Program

In June 1985, the Professional and Occupational Associations Registration Act (POARA) was enacted to regulate a variety of professions and occupations not covered by their own statute or any others. As an "umbrella" act, POARA permits registered associations to carry out certain self-governing powers. Standards in the areas of field of practice, discipline, education, conduct, as well as other aspects pertaining to professions and occupations, are determined.

The main objectives for registration are: protection of the public against incompetence and fraud; representation of a group of persons practising an identifiable profession or occupation; and the advancement of the interests of that profession or occupation. Members of a registered association are granted a designated title and abbreviations for exclusive use by members.

During the year, three associations were registered: Alberta Society of Professional Biologists; Institute of Certified Management Consultants of Alberta; and the Society of Local Government Managers of Alberta. Applications from four other associations were received. Development of the regulations for these organizations, along with the other aspects of the registration process, were started. Discussions were held with several other groups interested in applying for registration.

On February 28, 1991, the program transferred to the department of the Solicitor General. The Executive Director of the Professions and Occupations Bureau assumed responsibility as registrar for the act.

Real Estate

The department's Real Estate unit, under the direction of the Superintendent of Real Estate, is responsible for administering five pieces of legislation:

- the Real Estate Agents' Licensing Act,
- Mortgage Brokers Regulation Act,
- Landlord and Tenant Act,
- Mobile Home Sites Tenancies Act, and
- the Condominium Property Act.

Each of the acts has enforcement sections. Investigations under the acts may lead to prosecutions, show cause hearings, suspension or cancellation of licenses or undertakings. The department's regional staff investigate complaints, monitor the handling of trust monies and conduct random inspections of licensees' records to ensure proper handling of trust monies.

Real Estate Agents' Licensing Act

The Real Estate Agents' Licensing Act has licensing and trust requirements. The pre-licensing education program and the licensing of real estate agents have been delegated to the Alberta Real Estate Association (AREA). Although real estate salespeople are no longer licensed, they are registered by the association and must pass an examination.

In addition to the licensing of real estate agents, AREA administers the real estate assurance fund. The fund was established to compensate consumers if they suffer fraud or breach of trust when dealing with real estate agents. As of November 30, 1990, the fund stood at $2,112,064 and the amount of claims for the year prior to that date totalled $32,707.

Before offering to sell out-of-province real estate to Albertans, a seller must file a prospectus with the Superintendent of Real Estate. The prospectus must disclose all relevant facts so that consumers can make an informed decision. This requirement includes real estate that is divided into units such as lots, condominiums or time-sharing. Three prospectuses were cleared and filed by the Superintendent.

During the year, amendments to the act created a Real Estate Foundation funded by interest earned on "pooled" trust accounts. The foundation will provide funds for research and real estate education, both for members of the industry and the public.

The Superintendent of Real Estate and AREA have also been working together to create an Errors and Omissions Insurance Plan for licensees, and to develop plain language real estate documents. These initiatives are expected to be completed during the next fiscal period.

During 1990/91, enforcement action resulted in one license refusal, one license suspension and the issuance of two conditional licenses. Letters of reprimand were also issued in several instances.

Mortgage Brokers Regulation Act

The act requires all persons involved in the business of brokering mortgages in Alberta to be registered and bonded. Through its regional staff the department registers mortgage brokers. As of March 31, 1991, there were 75 active registrations. During the year, 22 new registrations were completed. There were 12 cancellations and one refusal. The act has similar disclosure and record-keeping requirements to the Real Estate Agents' Licensing Act.

Landlord and Tenant Act Mobile Home Sites Tenancies Act

These acts are similar in that they deal with landlord and tenant relationships. The Landlord and Tenant Act provides for the establishment of landlord and tenant advisory boards by municipalities. The staff of these boards handle a wide range of complaints. Similar complaints are handled by department staff in areas without an advisory board. The act has four prosecution sections; investigations relating to these sections are handled exclusively by department staff. During 1990/91, investigations resulted in nine prosecutions.

A Ministerial Advisory Committee on Residential Tenancies was established in January of 1989 to recommend possible amendments to the legislation. In April 1990, the committee submitted its report to the Minister. The report was then released to the public to obtain comment and reaction. It is expected an amendment to the legislation will be introduced in the legislature before the end of the 1991 spring session.

Real Estate Investigations and Inspections

	1990/91	1989/90
Real Estate	401	354
Mortgage Brokers	31	19
Condominiums	8	6
Real Estate Time-Sharing	9	4
Landlord and Tenant	334	396
Mobile Home Sites Tenancies Act	9	3
Total	792	782

Real Estate Licensees

	1990/91	1989/90
Calgary	426	407
Edmonton	366	347
Red Deer	40	39
Lethbridge	21	23
Medicine Hat	23	25
Fort McMurray	18	16
Grande Prairie	24	22
St. Albert	17	20
Sherwood Park	10	12
Brooks	9	10
Lloydminster	8	9
Drumheller	7	7
Wetaskiwin	6	6
Peace River	4	4
Camrose	6	6
Towns and Villages	267	257
Total Licensed Agents	1,252	1,210
Total Salespersons Employed by Licensed Agents	8,084	8,304

Personnel Services

During the 1990/91 fiscal period, four major projects were launched by the Personnel Services unit: the Human Resource Management Plan, the Orientation Manual, the Employee Recognition Program and the Management Performance Planning System. The Human Resource Management Plan established the framework for staff to meet the needs of our changing organization and mandate. The Orientation Manual provided new staff members with information about the organization, legislation administered, services available, and the staff member's position and benefit package. The Employee Recognition Program recognized outstanding achievement and length of service with the department. The Management Performance Planning System replaced the previous evaluation tool used to assess managers' performances. It focuses on planning, performance objectives and personal development.

In addition to the projects noted above, the unit assisted in the development of competency profiles for our consumer relations officers.

The unit continued to provide information and advice in the areas of job evaluation and classification, recruitment and selections, employee relations, pay and benefit administration, human resource development, and occupational health and safety.

There were 98 job classification actions during the year. This included a review of all senior management positions in the department, creation of part-time and temporary positions, and updates of current positions.

Recruitment and selection activity for the year totalled 48 transactions. This encompassed promotions and lateral transfers of internal staff, including developmental assignments and external hirings.

Staff participated in a total of 390 training and development programs. These ranged from self-study lessons to private sector seminars. Course sponsors included:

Personnel Administration Office

Consumer and Corporate Affairs

Other government agencies and private sector

Post secondary institutions

Finance and Administration

Administration

The administration units of the department and the Securities Commission were amalgamated during the fiscal year 1990/91. The areas affected were support services, word processing, mailroom and records management. The change improved productivity and efficiency. Emphasis was placed on improving service and response to the users throughout the department.

The records management unit developed a new plan to efficiently control department files and assist user areas in the control and tracking of existing files. A new departmental records classification system manual was produced to provide users with a standardized format for creating and classifying administrative files. The manual will eventually include classification for operation files as well.

Systems

The Systems group serves the department by maintaining the mainframe systems, local and wide area network applications, word processing and electronic mail. A province-wide network enables staff to communicate electronically. The network also makes it possible for all department services to be provided to Albertans.

During 1990/91, the installation of local area networks in every regional office was completed. With every installation, standard software for graphics, data bases, spreadsheets and statistical analysis were made available. In addition, a training strategy was developed to enhance the computer literacy of all staff.

Staff developed new systems to support the transfer of the Partnership Act from the department of the Attorney General, and developed a broker/dealer registration system for the Securities Commission. Micro-computer applications were also converted to the network. These applications allowed several individuals to access the same information.

Re-engineering of the department's aging mainframe applications and extension of our wide area network capabilities are significant parts of our long-range strategy.

Summary of Revenue for Alberta Consumer and Corporate Affairs

Fees, Permits and Licences	1990/91	1989/90
Business Corporations Act	$ 7,281,134	$ 7,059,413
Alberta Securities Commission	2,816,842	2,849,956
Special Insurance Brokers	179,762	298,460
Insurance Companies	1,225,249	1,239,547
Real Estate Agents	131,475	357,875
Licensing of Trades and Businesses Act	329,001	286,860
Other	96,703	149,015
Total	$ 12,060,466	$ 12,241,126

Other Revenue		
Refunds of Expenditure	$ 5,338	$ 32,004
Miscellaneous	22,637	5,483
Total	$ 27,975	$ 37,487

Total Department Revenue	$ 12,088,441	$ 12,278,613

Summary of Expenditures of Alberta Consumer and Corporate Affairs

Central Support Services	1990/91	1989/90
Minister's Office	$ 267,962	$ 282,259
Executive Management	440,926	563,004
Program Support Division	2,841,171	2,758,134
Total	$ 3,550,059	$ 3,603,397
Community Services Division		
Regional Delivery	$ 4,877,127	$ 4,597,175
Consumer Information Development	884,975	909,705
Total	$ 5,762,102	$ 5,506,880
Professional Standards and Services Division		
Assistant Deputy Minister	$ 448,241	$ 400,369
Real Estate Standards	430,942	319,855
Licensing	339,640	342,575
Regulation of Business Practices	240,600	165,301
Financial Consumer Standards	255,542	409,114
Business Incorporations and Registration	2,281,386	2,174,230
Regulation of Co-operatives	79,833	68,840
Insurance Standards	985,656	940,658
Regulation of Auto Insurance Premiums	258,788	150,067
Total	$ 5,320,628	$ 4,971,009
Regulation of Financial Market	$ 4,885,638	$ 4,813,119
Total Department Expenditures	$ 19,518,427	$ 18,894,405

Acts Administered by Alberta Consumer and Corporate Affairs

(as at March 1991)

Bankruptcy Act, Part X
(the Orderly Payment of Debts provisions (federal))

Business Corporations Act

Cemeteries Act

Cemetery Companies Act

Collection Practices Act

Companies Act

Condominium Property Act

Co-operative Associations Act

Co-operative Marketing Association Act

Consumer Credit Transactions Act

Debtor's Assistance Act

Department of Consumer and Corporate Affairs Act

Deposits Regulation Act

Direct Sales Cancellation Act

Franchises Act

Fuel Oil Licensing Act

Insurance Act

Landlord and Tenant Act

Licensing of Trades and Businesses Act

Mobile Home Sites Tenancies Act

Mortgage Brokers Regulation Act

Native Co-operative Guarantee Act

Prearranged Funeral Services Act

Public Auctions Act

Public Contributions Act

Real Estate Agents' Licensing Act

Religious Societies' Lands Act

Securities Act

Societies Act

Tax Rebate Discounting Act (federal)

Unfair Trade Practices Act

Wage Assignments Act